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"It isn't what you know that counts,
it's what you think of in time."

-- Leo Aikman

Purchasing Update

Division of Purchasing, Idaho Department of Administration

Issue 3

April 1, 2002

Revised Purchasing Publications Update

Revised Chapters 9-12 are now available for you to download and replace in your *Purchasing Reference Guide* binder.

9 Request for Proposals

10 Evaluation and Awards

11 Contracts, Price Agreements, Leases

12 Professional and Consultant Services

To access these publications go to <http://www2.state.id.us/adm/purchasing>, click on "Agency Info" and then on "Publications".

Governor's Business Opportunity Conference

The Department of Commerce, Idaho Business Network annually sponsors the Governor's Business Opportunity Conference. This conference is a trade-show-in-reverse in that buyers staff booths and sellers come to visit them. All Idaho agencies are invited to attend. The IBN provides booth space, sign cards, skirted table and chairs, all at no cost. This conference provides an excellent opportunity for buyers to meet Idaho's finest small, woman-owned, and disadvantaged businesses to help meet your purchasing needs. Last year over 250 small businesses participated in the one-day event. This year's event will be held at the Coeur d'Alene Resort on April 23, 2002. For more information contact Larry Demirelli at 334-2470 or email at ldemirel@idoc.state.id.us.

Splitting of Requirements

From time to time the Division of Purchasing is asked where the statute regarding the prohibition against splitting of requirements is found. It is not located in Title 67, State Government and State Affairs, along with most statutes pertaining to purchasing activities, but is instead found in Title 59, Public Officers in General, Chapter 10,

Miscellaneous Provisions. This statute applies to all forms of Idaho government: state, political subdivision, cities, etc.

IDAHO STATUTE 59-1026. SPLITTING OR SEPARATING PURCHASES OR WORK PROJECTS TO EVADE COMPETITIVE BIDDING -- CIVIL PENALTIES. It is a violation of this section for any public officer or officers of the state, a political subdivision or a city in this state to split or separate purchases or work projects for the purpose of evading any laws of the state which require competitive bidding for such purchases or work projects when the amount of the anticipated purchase or work project exceeds a specific dollar amount. Any public officer or officers violating this section shall be liable for civil penalties not to exceed five hundred dollars (\$500) for each offense.

Division of Purchasing Rules IDAPA 38.05.01.044, Small Purchases, also addresses the splitting of requirements and defines how total requirement costs are determined.

044. SMALL PURCHASES.

01. General. Small purchases are those purchases or procurements expected to cost fifty thousand dollars (\$50,000) or less. Costs are determined based on the following:

- a. One-time purchases of property; or
- b. Total cost of a contract for services, including renewal or extension periods.

02. Splitting Of Requirements. Acquisition requirements shall not be artificially divided to avoid bid statutes, rules or policies.

08. Purchases In Amounts Less Than Five Thousand Dollars. If the property to be acquired is expected to cost less than five thousand dollars (\$5,000), it may be acquired as each agency sees fit, in accordance with good business practice and in the best interest of the state.

Wherever possible, agencies are encouraged to combine requirements and thereby foster greater competition. Separating them into smaller purchases to purposely avoid formal bidding (over \$50,000) or informal quoting (\$5,000 to \$50,000) requirements is prohibited by law and rule.

Scam Alerts

Scams have been around for many years with several of the same ones resurfacing from time to time. Here are a few scams that were reported to us and that you need to aware of. Please share this information with others in your organization. Remember, good purchasing practices can limit your agency's potential to be the victim of these scam practices.

Publications

I received a call from a company called American Corporate Directory, with the information that the publication has been slightly delayed, but that we are set to receive our copy in a couple of weeks. The caller verified our name and mailing address, and stated that the invoice for \$279 would be included with the shipment. When I asked the caller to provide the purchase order number or the name of the person who placed the order, the caller indicated that information was unavailable, and promptly hung up the phone.

Toner Cartridges

Just wanted to let you know that I just received one of these calls this morning. The lady's name was Sunshine and she said she was from HP Laserworks. She said that she received 3 toner cartridges for the HP III (I think that was the printer she said) and they didn't fit her machine. She said she knew that our Mail Room had the same printer and wondered if we could "help her out" by letting her forward them to us instead of shipping them back to the manufacturer.

Our Region has received at least 3 calls in the last week from callers stating that there has been a price increase on the toner for our copiers and they have one set aside at the old price to be shipped out to us. I have to commend all of our people because none of them fell for it. One of the people was able to get a name and a phone number. I tried to call the number as soon as our employee called me and gave me the number (she called right after the solicitor got off the phone with her). I didn't get an answer, the phone just rang and rang.

Telephones- Area Code 809

This warning comes from AT&T regarding 809 area codes. The following web site: <http://www.att.com/fraud/home.html#thre/s/> also has useful information about call-forwarding scams, dialing international numbers without realizing it, and giving out your calling card number.

DO NOT DIAL AREA CODE 809

Don't respond to e-mails, phone calls, or web pages which tell you to call an "809" Phone Number. This is a very important issue of Scam Busters because it alerts you to a scam that is spreading extremely quickly, can easily cost you \$2400 or more, and is difficult to avoid unless you are aware of it. We'd like to thank Verizon for bringing this scam to our attention. This scam has also been identified by the National Fraud Information Center and is costing victims a lots of money. There are lots of different permutations of this scam. Here is how it works:

You will receive a message on your answering machine or your pager which asks you to call a number beginning with area code 809. The reason you're

asked to call varies. It can be to receive information about a family member who has been ill, to tell you someone has been arrested or died, to let you know you have won a wonderful prize, etc. In each case, you are told to call the 809 number right away. Since there are so many new area codes these days, people unknowingly return these calls.

If you call from the US, you will apparently be charged \$2425 per minute. Or, you'll get a long recorded message. The point is, they will try to keep you on the phone as long as possible to increase the charges. Unfortunately, when you get your phone bill, you'll often be charged more than \$24,100.00.

The 809 area code is located in the British Virgin Islands (The Bahamas). The 809 area code can be used as a "pay-per-call" number, similar to 900 numbers in the U.S. Since 809 is not in the US, it is not covered by U.S. regulations of 900 numbers, which require that you be notified and warned of charges and rates involved when you call a pay-per-call" number. There is also no requirement that the company provide a time period during which you may terminate the call without being charged. Further, the 900 number blocking available in many U.S. homes to avoid these kinds of charges does not work in preventing calls to the 809 area code. We recommend that no matter how you get the message, if you are asked to call a number with an 809 area code that you don't recognize, just disregard the message. Be wary of e-mail or calls asking you to call an 809 area code number. It's important to prevent becoming a victim of this scam, since trying to fight the charges afterwards can become a real nightmare. That's because you did actually make the call. If you complain, both your local phone company and your long distance carrier will not want to get involved and will most likely tell you that they are simply providing the billing for the foreign company. You'll end up dealing with a foreign company that argues they have done nothing wrong.

Telephones- 90#

I received a telephone call last evening from an individual identifying himself as an AT&T Service technician who was conducting a test on telephone lines. He stated that to complete the test I should touch nine(9), zero(0), the pound sign (#), and then hang up. Luckily, I was suspicious and refused.

Upon contacting the telephone company, I was informed that by pushing 90#, you give the requesting individual full access to your telephone line, which enables them to place long distance calls billed to your home phone number.

I was further informed that this scam has been originating from many local jails/prisons. I have also verified this information with UCBTelecom, Pacific Bell, MCI, Bell Atlantic and GTE. Please beware. DO NOT press 90# for ANYONE.

Statewide Contracts Update

Envelopes, Plain & Printed - Allied Envelope Company: This contract was recently renewed for another year. Additionally, the contract number was changed with the renewal. The new contract number is SBPO 1003. The renewal is effective February 18, 2002. Pricing has NOT changed from Amendment #9 effective October 2, 2001.

"Fast Forward" envelopes were added to the contract last October. These window envelopes are only available in the #10 size in plain, printed one color, and printed two colors. You ask - what does "Fast Forward" mean?

As explained by our friendly folks at the Central Postal Services, the original position of the window envelope does not allow room to use the Central Postal Services new software, FastForward. This software is part of the barcoding equipment and automatically sprays forwarding address information provided to us by the USPS. The new window envelope has sufficient space below the window for FastForward to do its work (spraying address correction information onto the envelope). If agencies use the new window envelopes, we can use the FastForward feature on their outbound mail. Use of FastForward saves the agency time and money because mail is not returned for address correction--instead the address is automatically corrected and the mail is sent on its way. We highly recommend using the new window envelopes listed on the statewide contract. Agencies can contact Kathy Uhling (332-1950) with any questions.

Batteries, Dry Cell: A new contract, SBPO 1013, effective March 1, 2002, was recently awarded to Platt Electric Supply. The minimum order for prepaid shipment is \$25, but orders under that amount may be picked up at any Platt Electric Supply location in Idaho, including Coeur d'Alene, Boise, Twin Falls, Pocatello, and Idaho Falls. Pricing is slightly lower than the previous contract with Maartronics (formerly Alexander Battery) that had been in effect for three years.

Laboratory Equipment & Supplies - Fisher Scientific: The contract was extended for six months and the contract number was changed to SBPO 1008. It will expire July 31, 2002. Our office is working with some other states to determine the feasibility of bidding and awarding a multi-state replacement contract.

Office Supplies - Boise Cascade Office Products (AKA Boise Office Solutions): Contract # SBPO 113 was renewed for one year effective March 1, 2002 and the contract number was changed to SBPO 1016. Pricing on the core list of items is unchanged from last year. Two pens on Part 1 of Exhibit B - Standard Use Items have been replaced with new items. Item 130 from Part 2 of Exhibit B - Extended List Standard Use Items (Achievement Award Certificate) has been deleted from the contract.

Also, effective January 1, 2002 a new catalog replaced the 2001 office supplies general catalog. The discount remains unchanged at 42% (subject to previous exclusions) for products not listed on Exhibit B.

Paper-Xerographic & True Bond - Xpedx Paper, Contract # SBPO 109: Effective April 18, 2002 a 7.5% price increase for all paper types except colors will apply. Revised pricing will be posted to the web site and also in the PublicBuy eCatalog.

Paper & Plastics Products - Unisource Corporation, Contract SBPO 129: A price increase ranging from 3% to 7% for most items on Schedule E (Styrofoam cups and lids) will be effective April 1, 2002. All other items and price schedules remain unchanged. Additionally, some slow moving items are no longer being stocked by their warehouses, but have become "mill order" items. Mill order items will require longer lead times ranging from two to four weeks. Revised Order Schedules with "mill order" items annotated are available for viewing or downloading from the Statewide Contract List on our web site.

Propane Gas - V-1 Propane: This contract which covers Zones 1 and 3-6 has been renewed for another year effective May 1, 2002. The renewal also changes the contract number from SBPO 26 to SBPO 1015. Efforts are underway to renew Contract # SBPO 31 with Ferrellgas for Zone 2.